

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - July 12, 2005

United States Attorney Carol C. Lam announced that a federal grand jury sitting in San Diego today handed up a three-count indictment charging Morris Cerullo, president of Morris Cerullo World Evangelism (MCWE), with filing false individual federal income tax returns for the years 1998, 1999, and 2000.

The indictment alleges that Cerullo omitted substantial amounts of individual income during those years, totaling in excess of \$550,000. MCWE is a 501c(3) charitable organization headquartered at 3545 Aero Court in San Diego.

According to the indictment, Cerullo willfully signed a false and fraudulent 1998 U.S. Individual Income Tax Return, Form 1040, which was made under penalty of perjury and filed with the Internal Revenue Service, omitting at least \$290,000.00 in income and thereby understating the tax due and owing for 1998; in violation of Title 26, United States Code, Section 7206(1). Similarly, the indictment alleges that Cerullo signed false and fraudulent U.S. Individual Income Tax Returns, Form 1040, omitting at least \$110,000.00 in income and thereby understating the tax due and owing for 1999, and omitting at least \$150,000.00 in

income and thereby understating the tax due and owing for 2000; in violation of Title 26, United States Code, Section 7206(1).

United States Attorney Lam said, "All who partake in this country's benefits have a responsibility to pay their taxes, and there are no self-bestowed exemptions."

Andrea Whelan, Acting Special Agent in Charge for the Internal Revenue Service, Criminal Investigation Division stated, "The IRS is duty bound to ensure all Americans pay their fair share of taxes. It is critical for honest taxpayers to know the IRS will seek prosecution of those who endeavor to undermine the nation's tax laws."

This case is the result of an investigation by the Internal Revenue Service - Criminal Investigation Division.

DEFENDANT

Case Number: 05 CR 1190 BEN

Morris Cerullo

SUMMARY OF CHARGES

Counts: Three

Charges: Filing False or Fraudulent Income Tax Returns in violation of Title 26, U.S.C. § 7206(1)

Maximum penalty is three years in prison, a fine not to exceed \$100,000, and the costs of prosecution.

AGENCY

Internal Revenue Service - Criminal Investigation Division

An indictment is not evidence that the defendant committed the crimes charged. The defendant is presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.